

Coop

# ELECTRIC COOPERATIVES

## ANNUAL REPORT

OF THE

RECEIVED  
04/02/19  
ARK PUBLIC SERVICE COMM  
AUDIT SECTION

NAME North Arkansas Electric Cooperative, Inc.  
(Here show in full the exact corporate, firm or individual name of the respondent)

LOCATED AT 225 South Main St, PO Box 1000, Salem AR 72576  
(Here give the location, including street and number of the respondent's main business office within the State)

COMPANY # #13  
(Here give the APSC-assigned company number)

TO THE

ARKANSAS PUBLIC SERVICE COMMISSION



## COVERING ALL OPERATIONS

FOR THE YEAR ENDING DECEMBER 31, 2018

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

LETTER OF TRANSMITTAL

To: Arkansas Public Service Commission  
Post Office Box 400  
Little Rock, Arkansas 72203-0400

Submitted herewith is the annual report covering the operation of North Arkansas Electric Cooperative, Inc.  
(Cooperative)  
of 225 South Main St. Salem, AR 72576 for the year ending December 31, 2018. This report is submitted in  
(Location)  
accordance with Section 51 of Act 324 of the 1935 Acts of Arkansas.  
The following report has been carefully examined by me, and I have executed the verification given below.

  
(Signature)

Mel Coleman, CEO  
(Title)


.....  
VERIFICATION

STATE OF Arkansas  
COUNTY OF Fulton

I, the undersigned, Mel Coleman, CEO of the  
(Name and Title)

North Arkansas Electric Cooperative, Inc., on my oath do say that the following report has  
(Cooperative)

been prepared under my direction from the original books, papers, and records of said utility: that I have carefully examined the same, and declare the same a complete and correct statement of the business and affairs of said utility in respect to each and every matter and thing set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross revenues, and that accounts and figures contained in the foregoing statements embrace all of the financial transactions for the period in this report.

  
(Signature)

Subscribed and sworn to before me this 26th  
day of March, 2019  
My Commission Expires 5/11/2019

KYLA J. HAWKINS  
FULTON COUNTY  
NOTARY PUBLIC - ARKANSAS  
My Commission Expires May 11, 2019  
Commission No. 12370948

  
(Signature of Notary)

**GENERAL INSTRUCTIONS, DEFINITIONS, ETC.**

1. Two (2) copies of this report, properly filled out and verified shall be filed with the Utility Division of the Arkansas Public Service Commission, Little Rock, Arkansas, on or before the 31st day of March following the close of the calendar year for which the report is made.
2. This form of annual report is prepared in conformity with the Uniform System of Accounts for Public Utilities prescribed by the Public Service Commission and all accounting words and phrases are to be interpreted in accordance with the said classification.
3. The word "respondent" in the following inquiries means the person, firm, association or company in whose behalf the report is made.
4. Instructions should be carefully observed, and each question should be answered fully and accurately. Where the word "none" truly and completely states the fact, it should be given to any particular inquiry.
5. If any schedule does not apply to the respondent, such fact should be shown on the schedule by the words "not applicable."
6. Except in cases where they are especially authorized, cancellations, arbitrary check marks, and the like must not be used either as partial or entire answers to inquiries.
7. Reports should be made out by means which result in a permanent record. The copy in all cases shall be made out in permanent black ink or with permanent black typewriter ribbon. Entries of a contrary or opposite character (such as decreases reported in a column providing for both increases and decreases) should be shown in red ink or enclosed in parentheses.
8. This report will be scanned in. Please bind with clips only.
9. Answers to inquiries contained in the following forms must be complete. No answer will be accepted as satisfactory which attempts by reference to any paper, document, or return of previous years or other reports, other than the present report, to make the paper or document or portion thereof thus referred to a part of the answer without setting it out. Each report must be complete within itself.
10. In cases where the schedules provided in this report do not contain sufficient space or the information called for, or if it is otherwise necessary or desirable, additional statements or schedules may be inserted for the purpose of further explanation of accounts or schedules. They should be legibly made on paper of durable quality and should conform with this form in size of page and width of margin. This also applies to all special or unusual entries not provided for in this form. Where information called for herein is not given, state fully the reason for its omission.
11. Each respondent is required to send in connection with its report to this Commission's Utilities Division, one (1) copy of its latest annual report to stockholders.
12. Schedules supporting the revenue accounts and furnishing statistics should be so arranged as to effect a division in the operations as to those inside and outside the state.
13. Answers to all inquiries may be in even dollar figures, with cents omitted and with agreeing totals.
14. Each respondent should make its report in duplicate, retaining one copy for its files for reference, in case correspondence with regard to such report becomes necessary. For this reason, several copies of the accompanying forms are sent to each utility company concerned.

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

Give the name, title, office address, telephone number and e-mail address of the person to whom any correspondence concerning this report should be addressed:

Name Julie Haney Title Chief Financial Officer

Address P O Box 1000, Salem, AR 72576

Telephone Number 870-895-6291

E-Mail jhaney@naeci.com

Give the name, address, telephone number and e-mail address of the resident agent:

Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

Address \_\_\_\_\_

E-Mail \_\_\_\_\_



## REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

For the purpose of meeting the annual reporting requirements of the Arkansas Public Service Commission, the Electric Cooperatives will file the following forms annually:

1. Pages numbered "General 1-4" and COOP 5-20" provided herein by the Arkansas Public Service Commission.
2. Copies of pages 1 and 2 of RUS Form 7 by month for the calendar year being reported (for AECC file RUS Form 12).
3. Copies of pages 3 through 7, inclusive of RUS Form 7 as filed annually with RUS (for AECC file RUS Form 12).
4. A copy of Form 696, "Statement of Loan Account Transactions", by Quarter for the calendar year being reported (for AECC also file Form 697).
5. If your Cooperative also operates in other states, it is necessary that you also furnish a separate Part E (page 3), RUS Form 7, detailing only Arkansas utility plant information.
6. A copy of your Cooperative's latest Annual Report to Members.

## IDENTITY OF RESPONDENT

1. Give the exact name by which respondent was known in law at the close of the year. Use the initial word "The" only when it is part of the name:

North Arkansas Electric Cooperative, Inc.

2. Give the location (including street and number) of (a) the main Arkansas business office of respondent at the close of the year, and (b) if respondent is a foreign corporation, the main business office if not in this state:

(a) (b)  
225 South Main Street, Salem AR 72576

3. Indicate by an x in the proper space (a) the type of service rendered, and (b) the type of organization under which respondent was operating at the end of the year.

(a) ( ☒ ) Electric, ( ) Gas, ( ) Water, ( ) Telephone, ( ) Other  
(b) ( ) Proprietorship, ( ) Partnership, ( ) Joint Stock Association,  
( ☒ ) Corporation, ( ) Other (describe below):

4. If respondent is not a corporation, give (a) date of organization, and (b) name of the proprietor or the names of all partners, and the extent of their respective interest at the close of the year.

(a) N/A

(b)

5. If a corporation, indicate (a) in which state respondent is incorporated, (b) date of incorporation, and (c) designation of the general law under which respondent was incorporated, or, if under special charter, the date of passage of the act:

(a) Arkansas

(b) 3/29/1939

(c) Electric Cooperative Corporation Act

6. State whether or not respondent during the year conducted any part of its business within the State of Arkansas under a name or names other than that shown in response to inquiry No. 1 above, and, if so, give full particulars:

7. State whether respondent is a consolidated or merged company. If so, (a) give date and authority for each consolidation or merger, (b) name all constituent and merged companies, and (c) give like particulars as required of the respondent in inquiry No. 5 above:

(a) N/A

(b)

(c)

8. State whether respondent is a reorganized company. If so, give (a) name of original corporation, (b) date of reorganization, (c) reference to the laws under which it was reorganized and (d) state the occasion of the reorganization, whether because of foreclosure of mortgage or otherwise, giving full particulars.

(a) N/A

(b)

(c)

(d)

9. Was respondent subject to a receivership or other trust at any time during the year?  
If so, state:

No

(a) Name of receiver or trustee: \_\_\_\_\_

(b) Name of beneficiary or beneficiaries for whom trust was maintained:  
\_\_\_\_\_

(c) Purpose of the trust: \_\_\_\_\_

(d) Give (1) date of creation of receivership or other trust, and (2) date of acquisition  
of respondent: (1) \_\_\_\_\_ (2) \_\_\_\_\_

10. Did the respondent act in any of the capacities listed in Paragraph (a) below during the past year? N/A If so,

(a) Indicate the applicable one by an X in the proper space:

( ) Guarantor, ( ) Surety, ( ) Principal--obligor to a surety contract,  
( ) Principal--obligor to a guaranty contract.

- (b) Insert a statement showing the character, extent, and terms of the primary agreement or obligation, including (1) names of all parties involved, (2) extent of liability of respondent, whether contingent or actual, (3) extent of liabilities of the other parties, whether contingent or actual, and (4) security taken or offered by respondent.

**DIRECTORS AND COMPENSATION**

Give the name and office addresses of all directors at the close of the year, dates of beginning and expiration of terms, and total compensation (including payments and cost of other benefits, such as health insurance, etc. and excluding any reimbursements for business travel). Chairman (\*) and Secretary (\*\*) marked by asterisks.

Item No.	Name of Director	Office Address	Date of Term		Compensation
			Beginning	End	
1	Larry Goodwin	PO Box 1000, Salem AR 72576	6/1/15	6/1/20	\$46,172
2	Dennis Wiles	PO Box 1000, Salem AR 72576	6/1/15	6/1/20	\$18,169
3	Cameron Davis	PO Box 1000, Salem AR 72576	6/1/16	6/1/22	\$34,212
4	Michael Dover *	PO Box 1000, Salem AR 72576	6/1/17	6/1/23	\$23,628
5	Jasper Freeman	PO Box 1000, Salem AR 72576	6/1/16	6/1/22	\$41,883
6	Jim Short	PO Box 1000, Salem AR 72576	6/1/16	6/1/21	\$36,308
7	Mark Montgomery	PO Box 1000, Salem AR 72576	6/1/14	6/1/18	\$36,589
8	Sonya Wiles	PO Box 1000, Salem AR 72576	6/1/15	6/1/19	\$41,621
9	Beth Carter**	PO Box 1000, Salem AR 72576	6/1/14	6/1/18	\$35,699

**PRINCIPAL OFFICERS AND KEY MANAGEMENT PERSONNEL**

Give the title of the principal officers, managers and key personnel, the names and office addresses of persons holding such positions at the close of the year, and the annual salary of each.

Item No.	Title	Name of person holding office at close of year	Office Address	Annual Salary
1	CEO	Mel Coleman	PO Box 1000 Salem, AR	\$289,546
2	Operations Manager	James Woody	PO Box 1000 Salem, AR	\$137,696
3	Manager of Engineering	Jason Strong	PO Box 1000 Salem, AR	\$137,345
4	Manager of Member Services	Leah Rouse	PO Box 1000 Salem, AR	\$120,197
5	Manager of Human Resources	Steve Hall	PO Box 1000 Salem, AR	\$139,032
6	Manager of IT	Jim Blackmon	PO Box 1000 Salem, AR	\$122,992
7	Manager of Finance & Accting	Julie Haney	PO Box 1000 Salem, AR	\$119,639
8	Manager of Human Resources	Lacey Johnson	PO Box 1000 Salem, AR	\$9,757
	TOTAL			\$ 1,076,204

ELECTRIC OPERATING REVENUES -- ARKANSAS				
Acct. No.	Account	Average Number of Consumers	Number of Kilowatt Hours	Revenue
	<b>SALES OF ELECTRIC ENERGY</b>			
440	Residential Sales	34,092	428,815,768	\$ 49,763,512
441	Irrigation Sales			
442.1	Com'l & Ind (1000 kVA or less)	2,410	98,371,064	9,954,535
442.2	Com'l & Ind (Over 1000 kVA)	8	100,889,303	7,609,703
444	Public Street & highway lighting	19	989,006	165,604
445	Other sales to public authorities	305	8,957,828	912,571
446	Sales to railroads and railways			
447	Sales for resale			
448	Interdepartmental sales			
	Total Electric Energy Sales	36,834	638,022,969	\$ 68,405,925
	<b>OTHER ELECTRIC REVENUES</b>	<b>Gross Revenue</b>	<b>Expenses</b>	<b>Net Revenue</b>
450	Customers' forfeited discounts and penalties			\$ -
451	Miscellaneous service revenues	229,099		229,099
453	Sale of water and water power			-
454	Rent from electric property	887,359		887,359
455	Interdepartmental rents	400,117		400,117
456	Other electric revenue			-
	Total Other Electric Revenues	1,516,575	-	\$ 1,516,575
<b>TOTAL OPERATING REVENUES--ARKANSAS</b>		69,922,500		
ELECTRIC OPERATING REVENUES -- SYSTEM				
Acct. No.	Account	Average Number of Consumers	Number of Kilowatt Hours	Revenue
	<b>SALES OF ELECTRIC ENERGY</b>			
440	Residential Sales	SAME	AS	ARKANSAS
441	Irrigation Sales			
442.1	Com'l & Ind (1000 kVA or less)			
442.2	Com'l & Ind (Over 1000 kVA)			
444	Public Street & highway lighting			
445	Other sales to public authorities			
446	Sales to railroads and railways			
447	Sales for resale			
448	Interdepartmental sales			
	Total Electric Energy Sales	-	-	\$ -
	<b>OTHER ELECTRIC REVENUES</b>	<b>Gross Revenue</b>	<b>Expenses</b>	<b>Net Revenue</b>
450	Customers' forfeited discounts and penalties			\$ -
451	Miscellaneous service revenues			-
453	Sale of water and water power			-
454	Rent from electric property			-
455	Interdepartmental rents			-
456	Other electric revenue			-
	Total Other Electric Revenues	-	-	\$ -
<b>TOTAL OPERATING REVENUES--SYSTEM</b>		\$ -		

## SCHEDULE OF CFC AND OTHER NOTE ISSUES

Identification Number	Date Issued	Amount of Issue	Interest Rate	Maturity Date	Amount Outstanding At End of Year	Deferral Notes
9020	09/14/87	\$2,836,000	6.55%	03/01/19	\$53,551	
9021	02/28/92	\$3,923,158	6.70%	03/01/25	\$1,419,152	
9022001	04/17/98	\$4,000,000	7.00%	05/31/30	\$2,293,704	
9022002	02/04/99	\$2,142,000	6.80%	05/31/30	\$1,270,999	
9024003	10/26/16	\$1,647,125	2.85%	02/28/19	\$416,251	
9024004	10/26/16	\$1,590,888	2.95%	02/29/20	\$1,590,888	
9024005	10/26/16	\$1,638,218	3.20%	02/28/21	\$1,638,218	
9024006	10/26/16	\$1,689,214	3.30%	02/28/22	\$1,689,214	
9024007	10/26/16	\$1,743,110	3.35%	02/28/23	\$1,743,110	
9024008	10/26/16	\$1,122,393	3.40%	02/29/24	\$1,122,393	
9024009	10/26/16	\$1,118,559	3.45%	02/28/25	\$1,118,559	
9024010	10/26/16	\$1,155,693	3.50%	02/28/26	\$1,155,693	
9024010	10/26/16	\$331,187	3.55%	02/28/27	\$331,187	
Totals		\$24,937,545			\$15,842,919	
Customer Deposits					Amount	
					System	Arkansas
Balance Beginning of Year.....					\$1,255,816	Same
Credits:					\$205,988	as
Debits: (Account Credited & Amount)					(\$179,595)	System
Balance at End of Year.....					\$ 1,282,209	\$ -
Indicate Amount of Interest Paid to Customers During the Calendar Year @ 0.3% Interest.					\$6,211	



In the spaces provided below please furnish brief descriptions of all construction projects associated with long-term debt (referenced by loan numbers or loan designations) shown on Notes page and/or all RUS loans, classified as follows:

- A. Construction projects active during calendar year currently being reported in association with either previous long-term debt or new loans obtained during calendar year currently being reported.

SEE ATTACHED

- B. Projected construction projects in association with either previous long-term debt or new loans obtained during calendar year currently being reported.

2018

## SUMMARY OF TOTAL LOAN FUNDS OF ALLOCATED BUDGET AVAILABLE

DATE	INV #	1	101-102	103	104	305-382	403	602	603	604	606	607	608	609	610	611	615	702	1104	TOTAL
JAN	969		80,762.14		11,922.49			42,546.49	7,884.86		55,231.57	13,748.15	1,421.14					21,969.43		235,486.27
FEB	970	(2.55)	56,368.94		2,493.81				17,390.83		153,599.55	10,167.41						4,137.40		244,155.39
MAR	971	1,898.63	73,244.86		2,949.96				5,029.40		145,581.61	32,158.45	4,859.88			15,509.93		13,670.09		294,902.81
APRIL	972		123,369.20	5,142.95	9,031.61			22,831.89			129,840.22	30,205.90						10,517.23		330,939.00
MAY	973		165,684.57	3,136.13	14,876.50	480,191.07		40,343.65			67,397.77	18,027.24	14,788.05					18,064.26		822,509.24
JUNE	974		139,616.61		20,142.99	268,364.11	77,413.97	18,294.16	24,453.92		102,673.94	45,597.26	1,046.08					12,508.21		710,111.25
JULY	975		82,530.53		27,020.23			14,879.32			66,248.26	55,820.08	1,003.20					15,494.66		262,996.28
AUG	976		224,213.59		5,515.59	140,482.12		18,274.13	22,646.52		159,640.83	81,554.76	5,745.72					4,686.51		662,759.77
SEPT	977		145,190.55		8,290.37			25,897.83	8,948.68		81,520.86	34,190.14						10,352.38		314,390.81
OCT	978		127,641.05		1,691.44			45,456.09			48,841.18	23,975.01						20,150.38		267,755.15
NOV	979	3,304.21	234,742.18	6,495.00	18,121.18			18,094.04			41,962.95	61,447.20	4,083.48					18,854.51		407,104.75
DEC	980		137,323.85		9,687.52			33,945.72			36,406.04	50,078.64	105,070.50				69,304.26	13,695.04		455,511.57
TOTALS		5,200.29	1,590,688.07	14,774.08	131,743.69	889,037.30	77,413.97	280,563.32	86,354.21	-	1,088,944.78	456,970.24	138,018.05	-	-	15,509.93	69,304.26	164,100.10	-	5,008,622.29

## OPERATING EXPENSES

Note: If your Cooperative also operates in other states and allocates certain expenses to Arkansas operations, please explain allocation method(s) used for those expenses, e.g. % plant, number of customers, revenues, or other basis in space provided at bottom of report.

Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	<b>1. POWER PRODUCTION EXPENSES</b>				
	<b>Steam Power Generation</b>				
	<b>Operation:</b>				
500	Operation Supervision and Engineering	N O N E			\$ -
501	Fuel				-
502	Steam Expenses				-
503	Steam From Other Sources				-
504	Steam Transferred - Credit				-
505	Electric Expenses				-
506	Miscellaneous Steam Power Expenses				-
507	Rents				-
	Total Operation	\$ -	\$ -	\$ -	\$ -
	<b>Maintenance:</b>				
510	Maintenance Supervision and Engineering	N O N E			\$ -
511	Maintenance of Structures				-
512	Maintenance of Boiler Plant				-
513	Maintenance of Electric Plant				-
514	Maintenance of Miscellaneous Steam Plant				-
	Total Maintenance	\$ -	\$ -	\$ -	\$ -
	Total Steam Power Generation	\$ -	\$ -	\$ -	\$ -
	<b>Nuclear Power Generation</b>				
	<b>Operation:</b>				
517	Operation Supervision and Engineering	N O N E			\$ -
518	Nuclear Fuel Expense				-
519	Coolants and Water				-
520	Steam Expenses				-
521	Steam From Other Sources				-
522	Steam Transferred - Credit				-
523	Electric Expenses				-
524	Miscellaneous Nuclear Power Expenses				-
525	Rents				-
	Total Operation	\$ -	\$ -	\$ -	\$ -
	<b>Maintenance:</b>				
528	Maintenance Supervision and Engineering	N O N E			\$ -
529	Maintenance of Structures				-
530	Maintenance of Reactor Plant Equipment				-
531	Maintenance of Electric Plant				-
532	Maintenance of Miscellaneous Nuclear Plant				-
	Total Maintenance	\$ -	\$ -	\$ -	\$ -
	Total Nuclear Power Generation	\$ -	\$ -	\$ -	\$ -

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	<b>Hydraulic Power Generation Operation:</b>				
535	Operation Supervision and Engineering	N O N E			\$ -
536	Water for Power				-
537	Hydraulic Expenses				-
538	Electric Expenses				-
539	Miscellaneous Hydraulic Power Expenses				-
540	Rents				-
	Total Operation		\$ -	\$ -	\$ -
	<b>Maintenance:</b>				
541	Maintenance Supervision and Engineering	N O N E			\$ -
542	Maintenance of Structures				-
543	Maint. of Reservoirs, Dams & Waterways				-
544	Maintenance of Electric Plant				-
545	Maintenance of Misc. Hydraulic Plant				-
	Total Maintenance		\$ -	\$ -	\$ -
	Total Hydraulic Power Generation		\$ -	\$ -	\$ -
	<b>Other Power Generation Operation:</b>				
546	Operation Supervision and Engineering	N O N E			\$ -
547	Fuel				-
548	Generation Expenses				-
549	Misc. Other Power Generation Expenses				-
550	Rents				-
	Total Operation		\$ -	\$ -	\$ -
	<b>Maintenance:</b>				
551	Maintenance Supervision and Engineering	N O N E			\$ -
552	Maintenance of Structures				-
553	Maint. of Generation and Electric Plant				-
554	Maint. of Misc. Other Power Gen. Plant				-
	Total Maintenance		\$ -	\$ -	\$ -
	Total Other Power Generation		\$ -	\$ -	\$ -
	<b>Other Power Supply Expenses</b>				
555	Purchased Power		\$ 34,908,894		\$ 34,908,894
556	System Control and Load Dispatching				-
557	Other Expenses				-
	Total Other Power Supply Expenses		\$ -	\$ 34,908,894	\$ 34,908,894
	<b>TOTAL POWER PRODUCTION EXPENSES</b>		\$ -	\$ 34,908,894	\$ 34,908,894

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	<b>2. TRANSMISSION EXPENSES</b>				
	<b>Operation:</b>	All			
560	Operation Supervision and Engineering	Arkansas			\$ -
561	Load Dispatching				-
562	Station Expenses		\$ 5,430		5,430
563	Overhead Line Expenses		\$ 47,956		47,956
564	Underground Line Expenses				-
565	Transmission of Electricity by Others				-
566	Miscellaneous Transmission Expenses				-
567	Rents				-
	Total Operation		\$ -	\$ 53,386	\$ -
	<b>Maintenance:</b>				
568	Maintenance Supervision and Engineering				-
569	Maintenance of Structures				-
570	Maint. of Station Equipment		\$ 1,820		1,820
571	Maintenance of Overhead Lines		\$ 8,288		8,288
572	Maintenance of Underground Lines				-
573	Maintenance of Misc. Transmission Plant				-
	Total Maintenance		\$ -	\$ 10,108	\$ -
	<b>TOTAL TRANSMISSION EXPENSES</b>		\$ -	\$ 63,494	\$ -
	<b>3. DISTRIBUTION EXPENSES</b>				
	<b>Operation:</b>				
580	Operation Supervision and Engineering		\$ 278,678		\$ 278,678
581	Load Dispatching				-
582	Station Expenses		\$ 177,707		177,707
583	Overhead Line Expenses		\$ 2,459,789		2,459,789
584	Underground Line Expenses		\$ 228,492		228,492
585	Street Lighting and Signal System Expenses		\$ 2,091		2,091
586	Meter Expenses		\$ 414,285		414,285
587	Customer Installations Expenses		\$ 99,447		99,447
588	Miscellaneous Distribution Expenses		\$ 266,617		266,617
589	Rents				-
	Total Operation		\$ -	\$ 3,927,106	\$ -
	<b>Maintenance:</b>				
590	Maintenance Supervision and Engineering		\$ 628,553		\$ 628,553
591	Maintenance of Structures				-
592	Maint. of Station Equipment		\$ 312,432		312,432
593	Maintenance of Overhead Lines		\$ 4,956,121		4,956,121
594	Maintenance of Underground Lines		\$ 176,708		176,708
595	Maintenance of Line Transformers		\$ 302,534		302,534
596	Maint. of street Lighting and Signal System		\$ 69,848		69,848
597	Maintenance of Meters		\$ 128,195		128,195
598	Maintenance of Misc. Distribution Plant		\$ 419,858		419,858
	Total Maintenance		\$ -	\$ 6,994,249	\$ -
	<b>TOTAL DISTRIBUTION EXPENSES</b>		\$ -	\$ 10,921,355	\$ -

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	<b>4. CUSTOMER ACCOUNTS EXPENSES</b>	ALL			
901	Supervision	ARK-	\$ 181,512		\$ 181,512
902	Meter Reading Expenses	ANSAS	\$ 46,409		46,409
903	Customer Records and Collection Expenses		\$ 2,510,550		2,510,550
904	Uncollectible Accounts		\$ 25,545		25,545
905	Misc. Customer Accounts Expenses		\$ 24,275		24,275
	<b>TOTAL CUSTOMER ACCTS EXPENSES</b>	\$ -	\$ 2,788,291	\$ -	\$ 2,788,291
	<b>5. CUSTOMER SERVICE &amp; INFO EXPENSES</b>				
907	Supervision		\$ 151,115		\$ 151,115
908	Customer Assistance Expenses		\$ 188,047		188,047
909	Informational & Instructional Advertising Exp		\$ 99,845		99,845
910	Misc. Customer Service & Informational Exp		\$ 218,076		218,076
	<b>TOTAL CUST SERV &amp; INFO EXPENSES</b>	\$ -	\$ 657,083	\$ -	\$ 657,083
	<b>6. SALES EXPENSES</b>	NONE			
911	Supervision				\$ -
912	Demonstrating & Selling Expenses				-
913	Advertising Expenses				-
914	Revenues from Mercandising, Jobbing, and Contract Work (Cr.)				-
915	Costs & Expenses of Merchandising, Jobbing and Contract Work				-
916	Miscellaneous Sales Expenses				-
	<b>TOTAL SALES EXPENSES</b>	\$ -	\$ -	\$ -	\$ -
	<b>7. ADMINISTRATIVE &amp; GENERAL EXPENSES</b>				
	<b>Operation:</b>				
920	Administrative and General Salaries		\$ 1,678,750		\$ 1,678,750
921	Office Supplies and Expenses		\$ 183,878		183,878
922	Administrative Expenses Transferred (Cr.)				-
923	Outside Services Employed		\$ 158,980		158,980
924	Property Insurance				-
925	Injuries and Damages				-
926	Employee Pensions and Benefits				-
927	Franchise Requirements				-
928	Regulatory Commission Expenses		\$ 119,962		119,962
929	Duplicate Charges (Cr.)		\$ (65,437)		(65,437)
930	Miscellaneous General Expenses		\$ 2,013,448		2,013,448
	Total Operation	\$ -	\$ 4,089,581	\$ -	\$ 4,089,581
	<b>Maintenance:</b>				
935	Maintenance of General Plant		\$ 481,296		481,296
	<b>TOTAL ADM &amp; GENERAL EXPENSES</b>	\$ -	\$ 4,570,877	\$ -	\$ 4,570,877



OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	<b>8. DEPRECIATION &amp; AMORTIZATION EXP</b>				
	<b>Depreciation:</b>	ALL			\$ -
403.1	Depr. Exp. - Steam Production Plant	ARKANSAS			-
403.2	Depr. Exp. - Nuclear Production Plant				-
403.3	Depr. Exp. - Hydraulic Production Plant				-
403.4	Depr. Exp. - Other Production Plant				-
403.5	Depr. Exp. - Transmission Plant		\$ 306,439		306,439
403.6	Depr. Exp. - Distribution Plant		\$ 5,973,888		5,973,888
403.7	Depr. Exp. - General Plant		\$ 865,538		865,538
	Total Depreciation Expense	\$ -	\$ 7,145,865	\$ -	\$ 7,145,865
	<b>Amortization:</b>				
404	Amort. of Limited-Term Electric Plant				\$ -
405	Amort. of Other Electric Plant				-
406	Amort. of Electric Plant Acquisition Adjs.				-
407	Amort. of Property Losses				-
	Total Amortization	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL DEPR. &amp; AMORTIZATION EXPS.</b>	\$ -	\$ 7,145,865	\$ -	\$ 7,145,865
	<b>TOTAL OPERATING EXPENSES (EXCLUDING TAXES &amp; INTEREST)</b>	\$ -	\$ 61,055,859	\$ -	\$ 61,055,859
Explain Allocation Methods used:					
Explain any unusual items included above:					

Name of Cooperative North Arkansas ElectricTime Period 01/01/19 to 12/31/23

**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897**  
**-- ELECTRIC UTILITIES --**

1. Provide the following information relating to generating plants, both existing and proposed, (and associated fuel supply and other facilities) with a capacity of 50 MW or more to be used to supply system demands during the next five (5) calendar years:

(a & b)  Name & Location of Plant	Date		(e) Plant Ownership	
	(c) Const. Beg.	(d) Plant in Service Date	% Owned	Other Owners (if Applicable)
NONE				

Name of Cooperative North Arkansas Electric CoTime Period 01/01/19 to 12/31**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897  
-- ELECTRIC UTILITIES --**

1. Continued

(f) Plant Capacity (MW)	(g) % Plant Capacity Available to Meet Firm Demands	(h) Plant Type	(i) Fuel Type	(j) Net Heat Rate	(k) Cost of Plant	(l) Plant Cost Per KW Capacity

Name of Cooperative North Arkansas Electric Cooperative,Time Period 01/01/19 to 12/31/20

**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897**  
**-- ELECTRIC UTILITIES --**

2. Provide the following information relating to electric transmission lines (and associated facilities including substations) of a design voltage of 100 KV or more extending more than 10 miles and /or of 170 KV or more extending 1 mile to be used to supply system demands during the next two (2) calendar years:

(a) Line Size	(b) Line Distance	(c) Route of Line	(d) Purpose of Line	(e) Cost of Line	(k) Cost of Plant	Substations	
						(f) Number	(g) Location
NONE							

Name of Cooperative North Arkansas Electric Coopera Time Period 01/01/19 to 12/31/20

**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897**  
**-- ELECTRIC UTILITIES --**

2. Continued

(h)  Date Const. Began/Begins	(i)  Date to be Placed in Service	Line Ownership	
		(j)	
		% Owned	Other Owners (if applicable)

Name of Cooperative North Arkansas Electric CooperTime Period 01/01/19 to 12/31/20

**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897**  
**-- ELECTRIC UTILITIES --**

3. Provide by consumer classes (include residential or domestic sales, commercial sales, industrial sales, public street and highway lighting sales, other sales to public authorities, sales or resale, interdepartmental sales) forecasts of the following for the next two (2) calendar years:

Year	(a) Customer Class	(b) Avg. No. of Customers	(c) Sales Kwh	(d) System Peak Demand (kw)	(e) Non-Coincidental Peak Demand (kw)
2019	Residential & Public Bldgs	32,092	405,523,394		
	Small Commercial	2,203	92,853,958		
	Large Commercial	8	103,450,169		
	Other	320	10,138,386		
	Total	34,623	611,965,907	143,172	149,903
2020	Residential & Public Bldgs	32,412	411,360,163		
	Small Commercial	2,223	93,311,654		
	Large Commercial	8	105,265,247		
	Other	318	10,153,748		
	Total	34,961	620,090,812	145,073	152,770



Name of Cooperative North Arkansas Electric Cooperati Time Period 01/01/19 to 12/31/20

**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897**  
**-- ELECTRIC UTILITIES --**

3. Continued

(f) Average Annual Load factor (Based on System Peak Demand)	(g) Average Annual Load factor (Based on Non-Coincidental Peak Demand)	(h) % Line Losses
49	47	7.32%
49	46	7.32%

Name of Cooperative North Arkansas Electric Cooper Time Period 1/01/19 to 12/31/20

**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897**  
**-- ELECTRIC UTILITIES --**

4. Provide forecasts of the following for the next two (2) calendar years in kilowatts (beginning January 1):

Year	(a) System Peak Demand	(b) Power Sources to Meet System Peak Demand <sup>1</sup>	(c) Reserves (Average System & at System Peak)
2019	143,172	Ark Elec Coop Corp	<p align="center">Note: Generation capacity reserve should be supplied by AECC for accuracy.</p>
2020	145,073	Ark Elec Coop Corp	

<sup>1</sup> To include self-owned generating capability identified by plant, firm and non-firm purchases identified by contract.



# REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

## CHECK LIST

Company Name North Arkansas Electric Cooperative, Inc.

Instructions: In the spaces provided, please enter the appropriate amounts from the Annual Report to the APSC and the year-end RUS Form 7. Any differences should be fully explained. Any differences between ending figures from last year's annual report and beginning balances in this year's annual report should be fully explained.

Description	Annual Report Amount	RUS Form 7 Amount	Difference
Total Operating Revenue - System	69922500	69922500	
Operating Expenses - System (Excluding Taxes and Interest)	61055859	61055859	
Total Power Production Expense	34908894	34908894	
Total Transmission Expense	63494	63494	
Total Distribution - Operation Expense	3927106	3927106	
Total Distribution - Maintenance Expense	6994249	6994249	
Total Customer Accounts Expense	2788291	2788291	
Total Customer Service and Informational Expense	657083	657083	
Total Sales Expense			
Total Administrative and General Expense	\$ 4,570,877	4570877	
Total Depreciation and Amortization Expense	7145865	7145865	

## STATEMENT OF ACCURACY

I do hereby state that the amounts contained in this report are true and accurate, schedules have been cross-referenced by use of the attached check list, and that the accuracy of all totals has been verified by me or under my supervision. Should I or anyone under my supervision become aware of any error in or omission from this report, I will take steps to notify the Arkansas Public Service Commission of such error or omission and provide corrected schedules as soon as possible.



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**President/General Manager**

## COMPANY CONTACTS

Company Information	
<b>Company Name</b>	North Arkansas Electric Cooperative, Inc.
<b>dba</b>	
<b>Official Mailing Address</b>	PO Box 1000 Salem, AR 72576
<b>Mailing Address for APSC Annual Assessment Invoice</b>	PO Box 1000 Salem, AR 72576

AREA	PERSON TO CONTACT	PHONE #	FAX #	E-MAIL
Annual Report	Julie Haney	870-895-6291	870-895-6279	<a href="mailto:jhaney@naeci.com">jhaney@naeci.com</a>
APSC Annual Assessment	Julie Haney	870-895-6291	870-895-6279	<a href="mailto:jhaney@naeci.com">jhaney@naeci.com</a>
Fuel Adjustment Report	Julie Haney	870-895-6291	870-895-6279	<a href="mailto:jhaney@naeci.com">jhaney@naeci.com</a>
Cost of Debt Report	Julie Haney	870-895-6291	870-895-6279	<a href="mailto:jhaney@naeci.com">jhaney@naeci.com</a>
Tariffs	Mel Coleman	870-895-6217	870-895-6241	<a href="mailto:mcoleman@naeci.com">mcoleman@naeci.com</a>
Accounting	Julie Haney	870-895-6291	870-895-6279	<a href="mailto:jhaney@naeci.com">jhaney@naeci.com</a>
Rates	Mel Coleman	870-895-6217	870-895-6279	<a href="mailto:mcoleman@naeci.com">mcoleman@naeci.com</a>
Engineering	Jason Strong	870-895-6253	870-895-6254	<a href="mailto:jstrong@naeci.com">jstrong@naeci.com</a>
Finance	Mel Coleman	870-895-6217	870-895-6241	<a href="mailto:mcoleman@naeci.com">mcoleman@naeci.com</a>
Income Taxes	N/A			
Property Taxes	Julie Haney	870-895-6291	870-895-6279	<a href="mailto:jhaney@naeci.com">jhaney@naeci.com</a>
Gas Supply	N/A			
Legal	Mel Coleman	870-895-6217	870-895-6241	<a href="mailto:mcoleman@naeci.com">mcoleman@naeci.com</a>
Data Processing	Jim Blackmon	870-895-6238	870-895-6279	<a href="mailto:jblackmon@naeci.com">jblackmon@naeci.com</a>

Please list the number of utility employees located in Arkansas

111 .



REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

**PRINTING INSTRUCTIONS**  
**Electric Cooperatives**

In order for the page numbers in the Excel file to print properly, group select to open all of the General worksheets together and print all together, then ungroup the General sheets. Group and print all of the industry specific pages together, then ungroup. Group and print all of the remaining pages together, then ungroup. (Before entering any data, be sure that the worksheets have all been ungrouped.)

Assemble and bind the completed report in sequence presented in the file (shown below).

Sequence	Sheet Name	Page No.
1	Cover Sheet	
2	Letter of Transmittal	
3	General Instructions	General 1
4	Report Contact	
5	Filing Instructions	
6	Identity	General 2-3
7	D&O	General 4
8	Revenues	Coop 5
9	CFC Notes	Coop 6
10	Construction Projects	Coop 7
11	Expenses	Coop 8-12
12	Future Sales, Load and Resources	Coop 13-20
13	Check List	
14	Statement of Accuracy	
15	Company Contacts	
	Printing Instructions	